

Instructions

2018 Planning & Design Fund Application



Introduction

The Virginia Department of Health (VDH) Office of Drinking Water (ODW) created the Planning & Design Fund Program (Program) to provide financial assistance for eligible projects at community and nonprofit, nontransient noncommunity (NTNC) waterworks. The Program is part of VDH's strategy to implement capacity development requirements in the 1996 Safe Drinking Water Act (SDWA) Amendments. This document describes the types of projects that may be eligible for funding and provides guidelines for submitting an application for financial assistance.

VDH will consider up to three applications from a waterworks owner in each funding year. However, due to the demand for the Program and limited funds for projects, offers will be limited to a maximum of two grants of not more than \$35,000 per eligible waterworks owner per funding year. Multiple applications from one owner must be for different areas of a waterworks' infrastructure (e.g. source, treatment, distribution, security, etc.) or for a completely different waterworks (i.e., a waterworks with a different PWSID #). VDH reserves the right to add and fund a project, or to by-pass any project of a higher priority and make grants to one of a lower priority based on criteria discussed below. VDH also reserves the right to decide if funding is contingent upon adjusting water rates and/or requiring savings for financial reserves. Funding is not contingent on receiving a local match.

Frequently Asked Questions

What types of waterworks are eligible?

Owners of all community and nonprofit, NTNC waterworks that VDH regulates under the *Waterworks Regulations* (12VAC5-590-10 et seq.) and an active Operation Permit may apply for Program funds. Waterworks that are owned by federal, state or tribal governments, or suspended or debarred owners (see Code of Virginia §§ 2.2-4300 et seq., the Virginia Public Procurement Act) are not eligible to receive funds from the Program.

Consistent with the National Capacity Development Strategic Plan, VDH's focus for Program funds will be community and nonprofit NTNC waterworks that serve a total population of 10,000 or fewer people. Community and nonprofit NTNC waterworks serving more than 10,000 people may be eligible if the project is limited to a specific hydraulic zone or other discrete part of the waterworks that serves 10,000 or fewer people. For purposes of the Program, the limitation for community and nonprofit NTNC waterworks that serve more than 10,000 people is defined as the "design benefit population."

Under some circumstances, owners of proposed waterworks and existing waterworks that do not have an active Operation Permit may be eligible to apply, but should contact the Capacity Development Director for assistance

prior to submitting an application. If you have questions about the status of an Operation Permit, contact the ODW field office that serves your county (Appendix C).

What types of projects are eligible?

For a project to be eligible, the community or nonprofit NTNC waterworks must serve a population of 10,000 or fewer people or the specific project must have a design benefit population of 10,000 or fewer people. Examples are provided in [Appendix A](#) to help clarify this requirement. In addition, the project must address issues that impact the reliable production or transmission of safe drinking water and ensure that the water meets or will meet all SDWA and state requirements. This includes broad categories of projects involving source, treatment, storage, distribution, and security. Project funds cannot be used to pay for water system maintenance or operations expenses even if they are included in the scope of a pilot study

The total amount of funding requested from VDH through the Program must be equal to or less than \$35,000 for each individual project. Projects will be evaluated based on public health implications, quality and intended benefit of the proposed project, and completeness of the application.

When are applications due?

VDH accepts applications on a year-round basis beginning January 1 and ending December 31 of each year. ODW capacity development staff will evaluate and score each application upon receipt and extend offers in accordance with stated Program goals. Applications for eligible projects that are received early in the year and not funded will be held until on or about September 1st when all applications that have not previously been selected for funding will be reconsidered. Waterworks that do not receive an offer of funding in a given program year must submit a new application the next year in order to be considered for funding in the new funding cycle. Applications will not be held from one year to the next.

What types of projects typically receive offers for funding?

Every year, VDH receives more applications than can be funded. Therefore, in addition to the general evaluation of these projects, each application is scored using the table in [Appendix B](#). Projects that address conditions at a waterworks that do not comply with the *Waterworks Regulations* or Operation Permit and result in acute health risks receive the highest priority for funding, followed by noncompliance and chronic health risks, and then noncompliance and broader public health concerns. Evidence of noncompliance should be included in the application and may consist of, but is not limited to: a Notice of Alleged Violation issued by ODW or the U.S. Environmental Protection Agency (EPA); an order from the State Health Commissioner or EPA; a case decision; sample results that trigger public notice requirements; a corrective action plan; or court decision.

When considering the likelihood of receiving funding assistance, VDH encourages each applicant to keep the health-based priorities in mind. Other projects, such as asset management planning, may be much-needed and worthwhile, but generally fall to the bottom of the ranking of project scores when compared against projects that address situations such as health declarations or persistent boil water notices. Projects that have the primary purpose of increasing waterworks source capacity exclusively for economic development will not be funded. Construction and installation, with limited exceptions of funding pilot wells, cannot be funded under the Program.

The following categories of projects have been funded in the past. This list is not comprehensive, but is provided as an example of potential project types:

- Preliminary engineering report: For evaluating the condition of the waterworks and/or components and identifying the best options for addressing defined needs (i.e. source, treatment, storage, distribution).
- Engineering design and specifications: For creating required drawings that must be approved before the waterworks can be modified.
- Evaluation of existing or proposed source(s): To address issues of source quality or quantity at the waterworks.
- Drilling of pilot wells and testing thereof: For the identification of acceptable water sources that will meet the drinking water standards in the *Waterworks Regulations*.
- Pilot studies of new, non-conventional treatment to comply with a PMCL, SMCL, or action level: To evaluate the effectiveness of the treatment.
- Distribution system evaluations: To evaluate the condition of the distribution system including quantification of leakage.

Projects including an environmental review must fully cover the cost of the environmental review with local funds. Include the cost of the environmental review in “Non-VDH Funding” in Section F of the application and on Exhibit A “Non-VDH Funding Secured” at the bottom of the worksheet. Project funds cannot be used to pay for water system maintenance or operations expenses even if they are included in the scope of a pilot study.

Who should prepare the Planning & Design Fund Application?

The application is designed so that the waterworks owner can fill it out. However, at the owner’s discretion, the application can be prepared by a third party such as a waterworks professional or engineer.

If more than one waterworks/owner is involved in the proposed project, all parties must agree to cooperate on the project and provide documentation of the agreement as part of the application. The required documentation for a multi-party project includes signed board resolutions or agreements from each waterworks owner and each owner must sign the certification statement as provided in the application.

If our project is funded, how long do we have to complete it?

If, after receiving a complete project application, VDH offers to fund the project, the agency will send the waterworks owner(s) a letter which details the funding award and requirements for procurement and completion. Once the waterworks owner(s) sign and return the offer letter, the owner should procure engineering services promptly and the scope of the project shall be completed within 15 months of the offer execution date. The terms and conditions of this fund agreement expire 15 months from the date of execution of this agreement. The Department reserves the right to de-obligate any scope of service or payments not completed at this time and by signing this funding agreement the Recipient forfeits any due process for re-consideration of withdrawal of funds. For multi-phase projects, VDH recommends waterworks owners focus the application and project goals on those activities which can be completed within a 15-month timeframe.

Note that all projects funded through the Program are subject to Virginia procurement requirements. Costs for goods and services that were not properly procured according to these guidelines cannot be reimbursed under the Program.

Completing the Planning & Design Fund Application

VDH developed these instructions to help waterworks owners complete the Planning & Design Fund Application. Explanation and commentary for each section of the application and detailed guidance for certain questions are included. The application is divided into ten sections plus Exhibit A. All sections are required. The application is available in electronic form and is formatted to allow for direct entry of answers into the electronic form; re-pagination is automatic. Printed copies are available on request.

Supporting documentation

Throughout the application, the owner/preparer will be directed to attach sufficient existing supporting documentation. This documentation is required for the application to be considered complete. An owner's written explanation of the problem does not constitute documentation when copies of correspondence from VDH, orders, sample results, etc., exist. Application reviewers do not have access to additional waterworks files or information, so all relevant documentation **must** be included. Incomplete applications may not be considered for funding.

Submitting the Planning & Design Fund Application

Submit two complete printed copies of the completed application, including attachments, to VDH/ODW for review. Mail the copies to the address at the top of Page 1 of the application. All pages of the application should be assembled in a binder and each page numbered sequentially. All supporting documentation must be labeled with the corresponding section and question number to which it applies and must be included as attachments at the end of the application. Tabs are recommended for quick navigation of attachments. Large supporting documents may be saved on a CD or other computer memory device and included with the application instead of being printed. If CDs are used, include a separate CD or other computer memory device with each of the two printed copies of the application. Ensure that the electronic document types are accessible with standard office software or as a .pdf file. If the reviewer cannot retrieve supporting documentation, the application will be considered incomplete.

Submittal of an application is not a guarantee of funding.

SECTION A: SUBMITTAL INFORMATION

Provide information on the owner of the waterworks that is making application for funding. If more than one waterworks is involved, the contact information here should be for the primary or lead organization. If someone other than the owner prepares the application, also complete the section titled "Application Preparer Information."

If more than one waterworks/owner is involved in the proposed project, all parties must agree to cooperate on the project. Documentation of multi-party project collaboration is required as part of the application, and all multi-party projects shall include signed board resolutions or agreements from each waterworks owner and each owner must sign the certification statement as provided in the application.

SECTION B: PRELIMINARY QUESTIONS

The purpose of this section is twofold: document eligibility of the project and document all collaborating parties.

Before completing the application, the waterworks owner should ensure that the waterworks and project are eligible for funding through the Program. Answer each question in the following table:

Table 1: Pre-Requirements for Applying

Col. A	Col. B	Question
Yes	No	Is the waterworks classified as either a community or nonprofit, nontransient noncommunity waterworks?
Yes	No	Is the total population served by the waterworks $\leq 10,000$ people? Or, does the project have a design benefit population $\leq 10,000$ people?
Yes	No	Are the waterworks and owner in good standing to receive state or federal funds (non-debarment or suspension)?
Yes	No	Is the waterworks a public water supply; not state, federally, or tribally owned?
Yes	No	Has the project application been approved by a controlling board, council, president, etc. of each waterworks that is applying for funding ?
Yes	No	Does the applicant or waterworks have documented evidence of non-compliance with state or federal drinking water regulations?
Yes	No	Expenses already incurred have been excluded from this application?

If the answer to any question above is a NO in Column B, STOP as you are not eligible / not ready to apply for funds. If all responses to the questions in Table 1 are in Column A, the waterworks and project are eligible / ready to apply to the Program.

Questions 6 - 8: Projects can be submitted for planning and design funds benefitting more than one waterworks. For projects that involve collaboration of multiple waterworks owners, list each owner in Question 6 and specifics on the affected public water systems in Question 8. For example: Owner A applies for funding to connect Waterworks A with neighboring Waterworks B. While Owner A is the official applicant for funds, for the application to be complete, both Owners A and B must be documented in Question 6 and details of both Waterworks A and B must be provided in Question 8.

“Name” refers to the name of the waterworks; “PWSID” is the 7-digit public water system identification number assigned by ODW to the waterworks; “Population” is the number of people who will be directly affected by the project.

Funding is only available for waterworks that serve a total population of 10,000 or fewer people or projects with a design benefit population of $\leq 10,000$ people. Applications submitted that will affect larger populations cannot be funded. Examples are provided in [Appendix A](#).

SECTION C: PROJECT SUMMARY

This section of the application captures basic information about the proposed project. Included is a list of possible project types. This list is not all-inclusive. Projects that do not fall into one of these pre-listed categories should use “Other” and include a brief description of the project.

SECTION D: ISSUES ADDRESSED BY THE PROJECT

The chart in this section includes project issues which are directly connected with public health and may or may not be addressed by the project. Answer “Yes/No or NA” for each “Issue to be addressed.” For any issue with a

“Yes” answer in Column 2, provide a brief description of the issue including dates and the name or title of the corresponding attachment.

Documentation of the issue must be included for this section to be considered complete. Examples of appropriate documentation include: Notices of Violation, orders, Sanitary Survey Reports and/or letters, chemical results from a certified laboratory, and other correspondence from regulatory agencies that directly speak to the issue.

SECTION E: DETAILED PROJECT DESCRIPTION, COSTS, AND TIMELINE

This section builds on the previous sections. For each question in Section E, respond with as much detail as possible. Question 5 asks for a *description* of the population intended to benefit by the project, not the number of people or connections. Questions 10 and 11 address the cost of the project. As much detail as possible should be provided here. Documentation of how the estimates were arrived at is required and must be included. Question 12 allows the applicant to provide additional information that helps VDH/ODW understand the rationale and justification for the project, but is not required.

SECTION F: PROPOSED FINANCING

Section F documents total funding requested and the status of non-VDH funds used for the project.

Part 1: Calculation of Funding Request: Grants under the Program are limited to \$35,000. Project costs that exceed \$35,000 must be paid with non-VDH funds. Documentation of the project cost estimates must be included in order for the application to be considered complete.

Part 2: Non-VDH Funding: Document all non-VDH funding sources in-process or secured in Tables 6 and 7.

Part 3: Complete Exhibit A: The preceding steps include information for Exhibit A; the exhibit must be complete.

SECTION G: CONNECTIONS AND POPULATION

This section of the application requires, in table format, the number and type of waterworks connections, the population served by residential and non-residential connections, and the percentage of the connections that are metered. The numbers referred to in this section are *project-specific* and may or may not represent the total numbers for the entire waterworks. Projects, for example, may be for a smaller sub-set of connections (those serving the design benefit population) within a larger waterworks.

SECTION H: WATER RATES AND FEES

This section asks about water rates and fees for those connections being affected by or included in the project. “Connection Fee” is a charge to customers the waterworks makes for a service connection. “Availability Fee” is a one-time fee the waterworks charges the original customer on a service connection.

Funding awards are prioritized for waterworks that serve financially disadvantaged communities. It is for this reason that Median Household Income (MHI) is required. Common sources of MHI include the U.S. Census and Factfinders. The MHI should be provided for the smallest available census data tract available that covers the entire project area. The applicant may provide alternate income information for the project population if the population served by the project is not represented by the County/City MHI (i.e. a trailer park). Examples of acceptable documentation would include an income survey or proof of income from rental applications (i.e. for

an apartment complex). In order for these alternate means of documenting MHI to be used, 75% of all customers affected by the project must be represented in the survey. All income documentation must be included with the application. If sufficient documentation is not provided, then the County/City MHI will be utilized.

SECTION I: SUSTAINABILITY

One goal of Planning & Design Fund Program is to enhance the long-term sustainability of waterworks across Virginia. Waterworks will receive additional points during the scoring of the application if they:

- Actively track water loss
- Have a current asset management plan
- Are funding reserves
- Maintain a detailed waterworks budget
- Regularly audit their financial records.

Waterworks not performing these activities are encouraged to implement them and can receive technical assistance from the Capacity Development Division.

SECTION J: APPLICATION CERTIFICATION

Applications lacking the signature of an authorized representative will be returned.

APPENDIX A: Examples of Project Eligibility Based on Population

Example 1: A single community waterworks is applying for funding for a project that will benefit the entire waterworks (i.e. plans and specifications for treatment for the single source). The population served by the entire waterworks is 3,500. This project is eligible for Planning & Design Funding since the total population served by the waterworks is less than 10,000 people.

Example 2: A community waterworks is applying for funding for a project that will benefit only a clearly defined portion of the waterworks. The waterworks has multiple hydraulic zones and the project application is for only one of those zones. While the entire waterworks serves 25,000 people, the portion that will be evaluated under their Planning & Design Fund Application is 800 persons. This project is eligible since the project has a design benefit population of less than 10,000 persons.

Example 3: Two community waterworks are collaborating on a project that will benefit each of the cooperating waterworks. One of the waterworks serves a population of 600, the other serves 9,500. Since the total number of persons that would be affected by this project is 10,100, this project is **not eligible** for funding under the Program.

Example 4: A small community waterworks with 30 connections serving 87 people wants to connect to a nearby town's waterworks. Both systems agree that this will be a worthwhile project and the small waterworks agrees to apply for funds for plans and specifications to connect to the municipal supply and install meters for each home (connection) in the small waterworks. This project would be eligible for Planning & Design Funds since the small waterworks' population of 87 persons is going to gain the most benefit. This would also be eligible if the town's waterworks prepared and submitted the application on behalf of the smaller system since small waterworks often do not have the personnel available to manage complex projects involving outside funding agencies. A cooperative agreement would be required and must be included with the application.

Example 5: A large waterworks serves 50,000 customers through 4 consecutive connections of varying numbers of service connections and populations. One of the consecutive waterworks serves 20,000 people and has received violations for elevated disinfection byproducts (DBPs) in a portion of its distribution system that has 800 homes (2,400 people). The smaller consecutive waterworks has attempted to solve the DBP problem by changing their flushing program and installing tank mixers, but neither solution worked. The only remaining solution is to make changes at the main water treatment plant (i.e., the wholesaler's plant), which is out of their jurisdiction. In this case, either of the waterworks is eligible to apply since the design benefit population will be the 2,400 people that are receiving water that does not comply with the standards for DBPs in the *Waterworks Regulations* (as noted in Notices of Violation issued to the small waterworks). However, a joint resolution signed by the owners of both waterworks documenting collaboration and rights of access must be included with the Application in order for the project to be considered. Further, documentation of the extent and population in the hydraulic zone with the DBP problem must also be included to confirm that the design benefit population is less than 10,000 persons. If the proposed project (at the water plant) would also improve DBP compliance in another portion of this or of the other consecutive waterworks, only one Planning & Design Fund application may be submitted.

APPENDIX B: Application Review & Project Scoring Matrix for Planning & Design Funding

FY 2018 PLANNING & DESIGN FUND PROGRAM APPLICATION REVIEW AND SCORING

NAME OF APPLICANT:	PWSID:
PROJECT NAME:	COUNTY:
PROJECT POPULATION:	WBOP/Annual Update Requirement met: Yes/No/NA
REVIEW DATE:	EVALUATED BY:

App. Sec./ Question #		Yes	No	Comments
B/4	Waterworks is community or nonprofit, NTNC			
Table 3	Population served by the waterworks is $\leq 10,000$ or			
Table 3	The specific project is for a population $\leq 10,000$			
Table 1	The waterworks or owner has NOT been debarred or suspended from applying for state or federal funds			
B/5	The waterworks is NOT state, federally, or tribally owned			
B/6 or Table 2	A controlling board, council, president, etc. has approved the project application			
B/8	The waterworks has documented evidence of non-compliance with state or federal drinking water regulations			
B/9	Expenses already incurred have been excluded from the application			
Table 4 and E/2	Funds are needed to resolve a health or compliance problem			
Table 5 & Exhibit A	Total VDH funding request $\leq \$35,000$			
J	Application is signed			
Exhibit A	Exhibit A is attached, complete, and correct			
	Application is complete			

	Complete/ Error-Free	Incomplete/ Has Errors	Clarification/Documentation Needed/Questions
Section A			
Section B			
Section C			
Section D			
Section E			
Section F			
Section G			
Section H			
Section I			
Section J			
Exhibit A			

The following scoring is used to prioritize applications for funding. The applicant is encouraged to review this section in advance of submitting an application.

PLANNING & DESIGN FUND PROJECT ELIGIBILITY AND SCORING REVIEW

Projects are scored using the matrix below. When determining which projects are funded, those with acute health points will be funded first, then chronic health, and so on down the list. Within a category, points will only be awarded for the issue that most accurately represents a project. (i.e. A contaminated source applying for treatment would only receive points for treatment.)

Reviewer:	Date:	MAXIMUM POINTS	POINTS ALLOCATED
ACUTE HEALTH PRIORITY: SDWA COMPLIANCE (60 POINTS MAX)			
System Under Formal Enforcement Action, Commissioner Declared Health Hazard, or Emergency Declaration		50	
SWTR Violations		10	
RTCR Violations (PMCL)		10	
Nitrate Violations		10	
Continuous Boil Water Notices		10	
CHRONIC HEALTH PRIORITY: SDWA COMPLIANCE (40 POINTS MAX)			
Formal Enforcement Actions or Commissioner's Letter		30	
Lead & Copper Action Level Exceedance		15	
Persistent PMCL Violations (VOC, SOC, IOC, Rad, etc.)		10	
PUBLIC HEALTH PRIORITY:			
WATERWORKS REGULATIONS COMPLIANCE			
Formal Enforcement Actions or Commissioner's Letter		15	
Inadequate Treatment at waterworks		12	
Inadequate Source quality at waterworks		10	
Inadequate Source quantity at waterworks		7	
Extend water to homes not served which have inadequate private water sources		7	
Inadequate Storage and/or Distribution System Pressure		6	
Preventing conditions that favor the entrance of contaminants into the distribution system, including water loss $\geq 40\%$ in a defined pressure zone		5	
Documented inadequate well condition		5	
SUSTAINABILITY			
Regionalization or consolidation is proposed as part of project to address health issues		5	
Waterworks has actively attempted to solve a documented compliance issue		5	
Project addresses water loss		4	
Waterworks has a current Asset Management Plan		4	
Water rates adjusted within 3 years of date of application		2	
Waterworks has a dedicated Reserve Fund		2	
Waterworks has a detailed Budget		2	
Waterworks has Audited Financial Statements or CAFR		2	
Waterworks conducts complete periodic water audits		2	
PROJECT DESIGN BENEFIT POPULATION:			
≥ 500 to $\leq 10,000$ Population		5	
≥ 250 to < 500 Population		10	
≥ 100 to < 250 Population		15	
< 100 POPULATION		20	
AFFORDABILITY (Use MHI)			
$< \$37,000$: _____		20	
$\$37,001 - \$44,200$: _____		10	
$\$44,201 - \$58,900$: _____		5	
$> \$58,901$: _____		0	

APPENDIX C: Office of Drinking Water Field Office Map & Contacts

